

**June 2002**  
**ECONOMIC AND  
REVENUE  
FORECAST**

FISCAL YEAR 2002  
4TH QUARTER



WASHINGTON STATE DEPARTMENT OF  
**Natural Resources**  
Doug Sutherland - Commissioner of Public Lands

**Cover photo:** Irrigated vineyards have potential to become an increasingly important source of revenue from state-owned lands managed by the Washington State Department of Natural Resources

# June 2002 ECONOMIC AND REVENUE FORECAST

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FISCAL YEAR 2002  
4TH QUARTER

prepared by:  
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June 2002

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Accurate reproduction of information in this forecast is welcomed.  
Acknowledgment of the source would be appreciated.

## **ACKNOWLEDGMENTS**

The quarterly revenue forecast is a collaborative effort. It is the product of information provided by private individuals and organizations, and DNR staff. Without their contributions this forecast could not be completed.

An absolutely critical component of this forecasting work are the purchasers of DNR timber. These busy individuals and companies willingly provide information that is essential to the process of estimating harvest volumes.

Many DNR staff also contribute to the forecast. Those persons who provide data or forecasts of revenue flows for their areas of responsibility make an especially significant contribution. These people include Wayne Hardy, Jon Luedecker, Paul Penhallegon, Rod Rennie, Mark Savage, and Bob Suda. Also, other DNR staff have provided valuable and constructive feedback on drafts of this forecast report, and I thank Phil Aust, Dave Larsen, Quynh Nguyen, Jim Smego, and Bob van Schoorl for their comments in this regard.

I am grateful to Shannon Vizena and Billie-Lynn Wyckoff for help and initiative in conducting the purchaser survey efficiently and effectively.

Bruce P. Glass  
June 10, 2002



## Major points of the June 2002 forecast

### ■ US Macroeconomic Conditions & Trends

- The US economy is moving off the bottom of the recent recessionary downturn.
- The Federal Reserve Bank (FRB) likely will hold interest rates steady through summer (i.e., at least until August) at their present low levels, allowing the fledgling economic recovery to take hold.
- The US trade deficit is expected to grow further over calendar year (CY) 2002 and CY 2003. An expanding trade deficit imposes an inflationary threat through depreciation of the US dollar (a process which may have already started).
- Consumer and business confidence has firmed since last fall, but remains somewhat flat, particularly since the rate of unemployment (a lagging indicator) has yet to cease increasing and start declining.
- The Blue Chip consensus estimate of real gross domestic product (GDP) growth for CY 2002 has rebounded from 1.5% in February 2002 to 2.8% in May 2002, the same level as the consensus estimate for August 2001. The May 2002 consensus estimate of real GDP growth for CY 2003 remains at the 3.5% level reported in the February 2002 forecast.

### ■ Japanese Macroeconomic Conditions & Trends

- Japan continues to experience severe deflationary pressures, which may be alleviated as the US economy expands, allowing Japanese exports to the USA to expand also. However, a long-term serious side effect of Japan's current deflationary business climate is a relocation overseas of domestic industrial capacity (termed 'hollowing out').
- Industrial and financial restructuring in the wake of the Asian financial crisis remains weak and ineffectual.
- After -0.4% real GDP growth in CY 2001, the Blue Chip consensus anticipates growth in CY 2002 will also be negative (-1.0%), before weak expansionary growth resumes in CY 2003 (1.0%).

### ■ Implications of Macroeconomic Conditions for Forecast

- US housing starts remain at relatively high levels (at or about 1.6 million/year, seasonally adjusted in the near term), and are forecast to remain so for CY 2003. Near-term starts in particular may not be very responsive to improving economic conditions on account of building conditions remaining favorable over winter, and the mildness of the recessionary downturn resulting in minimal pent-up housing demand as the economy recovers.
- US repair and remodelling expenditures are also expected to remain at relatively high levels compared with prior years.
- Japanese housing starts are expected to remain flat at about 1.15-1.20 million/year (seasonally adjusted) for at least the next two years. Little substantive long-run recovery is expected since a high proportion of the population lies outside the highest household formation years, and Japan's population also is reported as aging even more quickly than previously estimated.
- The hollowing out of Japan's domestic industrial base will not leave wood products industries unaffected. Manufacturing capacity for both wood products and substitutes for wood products is moving overseas (relocating to China in particular), likely leading to long-term changes to trade flows for both raw materials and finished products.

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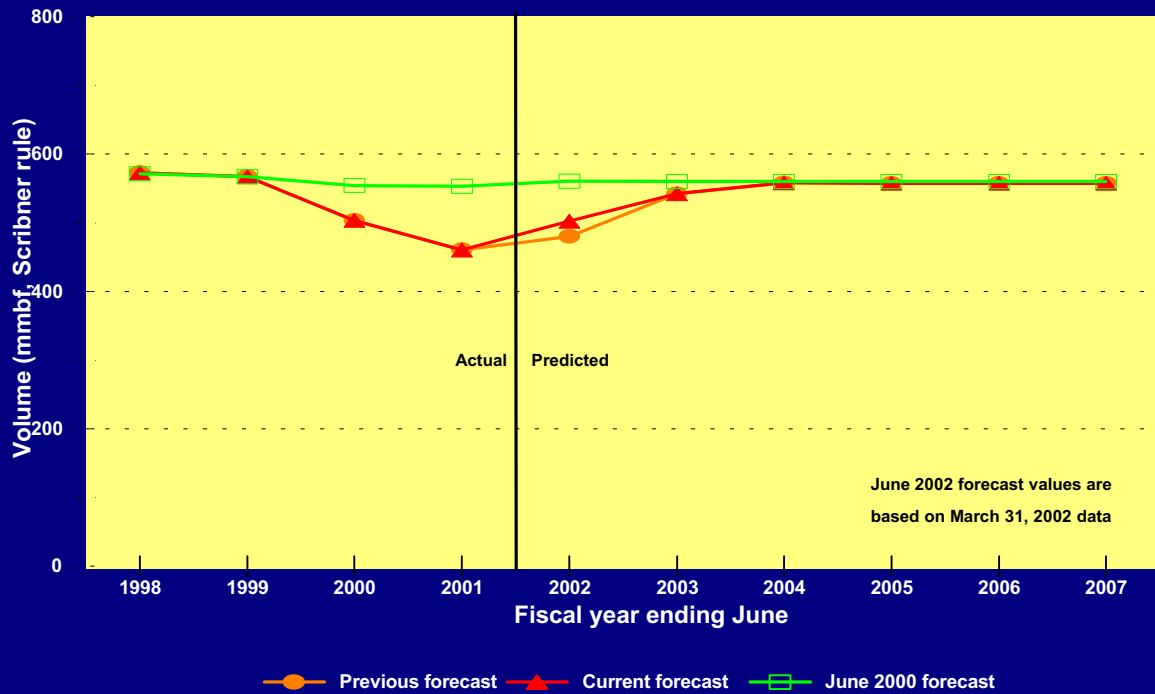
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- **Sold Timber Sale Volumes:** Compared with the February 2002 forecast, the sold target timber sale is revised upward to 502 mmbf for fiscal year ending June (FY) 02. Otherwise, sold timber sale target volumes are unchanged (Figure 1, Table 1).
  - Estimates of target sold timber sales volumes are obtained from staff in the Land Management Division.
  - Sold timber sales target volumes for FY 04 and subsequent years are provisional pending recalculation of the sustainable harvest.
  - Sold timber volume for FY 02 to the end of March 2002 was 294 mmbf.
- **Timber Sale Prices:** Compared with the February 2002 forecast, estimated timber sale prices are revised downward by \$20/mbf in FY 02. Otherwise, estimated sale prices are unchanged (Figure 2, Table 1).
  - Softwood lumber prices, as measured the Random Lengths framing lumber composite price index, have been rising from the \$280/mbf levels of October 2001 through December 2001 to reach \$339/mbf in March 2002.
  - Aside from seasonal influences, factors contributing to near-term changes in forecast timber sales prices include: (1) Changing expectations regarding US economic recovery and associated effects on construction and wood consumption; (2) Increased softwood log imports from Canada into the western USA--these increased imports are an unintended consequence of the imposition of duties on softwood lumber imported into the USA from Canada, and tend to dilute purchaser interest in sales offered by the department, thereby capping prices; and (3) Prospective changes in the quality of the timber sales mix offered by the department.
  - Factors contributing to the longer-term changes in forecast timber sales prices include: (1) Increasing imports from countries outside North America, and especially from plantation sources; and (2) Increasing substitution of both wood and non-wood products for solid wood products, especially in engineering end use applications.
  - Outlook for timber sales prices: Seasonal changes aside, continue to look for only modestly increasing prices.
- **Uncut Timber Inventory Under Contract:** Compared with the February 2002 forecast, uncut timber under contract at the end of FY 07 is estimated to be 77 mmbf higher in volume terms, and about \$21 million higher in value terms.
  - Forecast-to-forecast increases in volume and value of uncut inventory under contract at the end of FY 07 result from increased target timber sales volumes, reduced removal volume estimates, and changes in timber sales price estimates (see Table 1).
  - Uncut inventory under contract is estimated to be some 828 mmbf at the end of FY 07, worth \$242 million (average of \$292/mbf), up from 651 mmbf, worth \$192 million (average of \$295/mbf) at the end of the March quarter of FY 02.

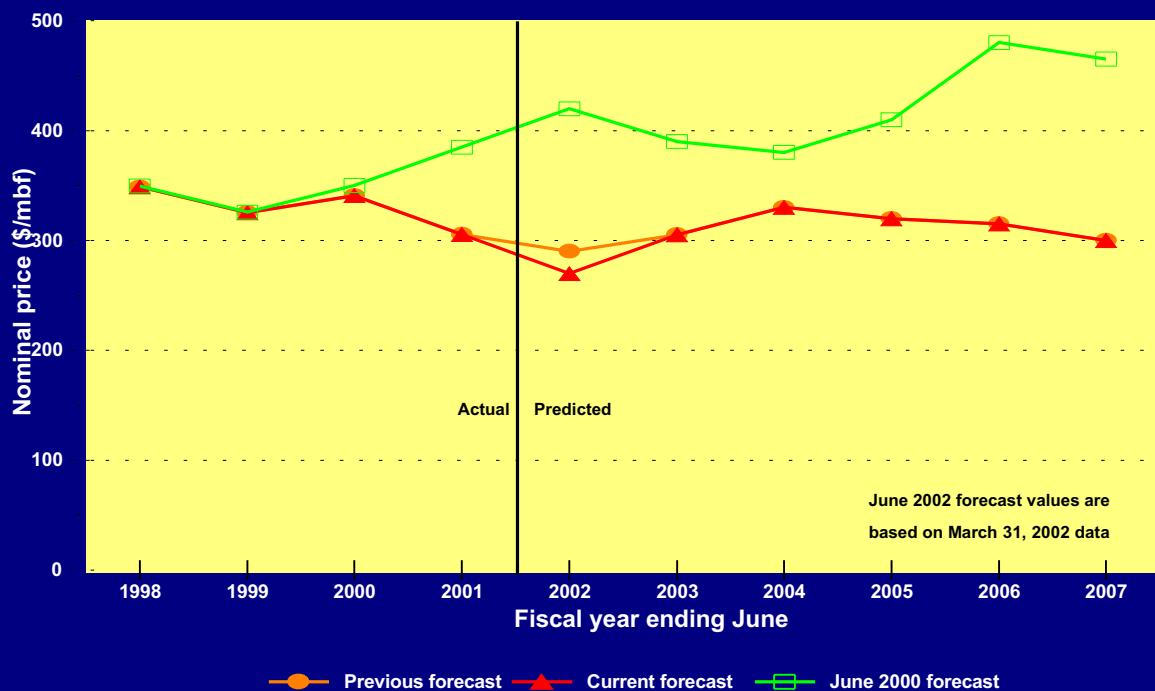
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**Figure 1: Sold timber sales volumes - Comparison of previous forecasts with current forecast, 1998-2007**



**Figure 2: Timber sales prices - Comparison of previous forecasts with current forecast, 1998-2007**

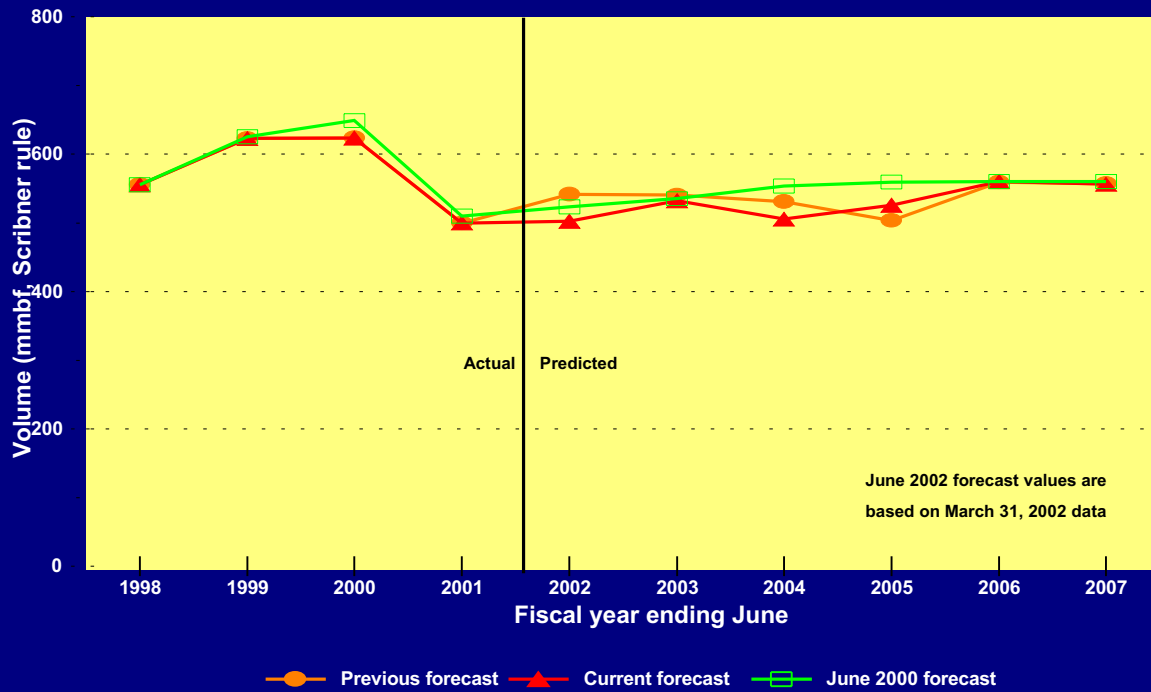


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- **Timber Removal Volumes:** Compared with the February 2002 forecast, estimated timber removal volumes have decreased by between 8 mmbf and 39 mmbf for FY 02-04, increased 23 mmbf for FY 05, and remain virtually unchanged for FY 06-07 (Figure 3, Table 1).
  - The 39 mmbf decline in estimated timber removals for FY 02 directly reflects purchasers' removal intentions, for that portion of the uncut timber under contract as at March 31, 2002.
  - More generally, reductions in estimated timber removal volumes for the FY 02-04 period reflect the impact of softwood logs imported from Canada into the western USA.
  - Increased removal volumes for FY 05 largely result from increased target timber sales volumes for FY 02.
  - Removed timber volume for FY 02 to the end of March 2002 was 364 mmbf.
- **Timber Removal Prices:** Compared with the February 2002 forecast, timber removal prices are forecast to decline by \$6/mbf in FY 02, before increasing by \$6/mbf in FY 03. Removal prices are estimated to decline through the remainder of the forecast period by as much as \$9/mbf (Figure 4, Table 1).
  - Changes in timber removal price estimates result from (lagged) changes in estimates of timber sales prices (see Table 1).

(continued on page viii)

**Figure 3: Timber removal volumes - Comparison of previous forecasts with current forecast, 1998-2007**



Note: Unforeseen events and changes in future conditions may alter forecast estimates and results

**Figure 4: Timber removal prices - Comparison of previous forecasts with current forecast, 1998-2007**



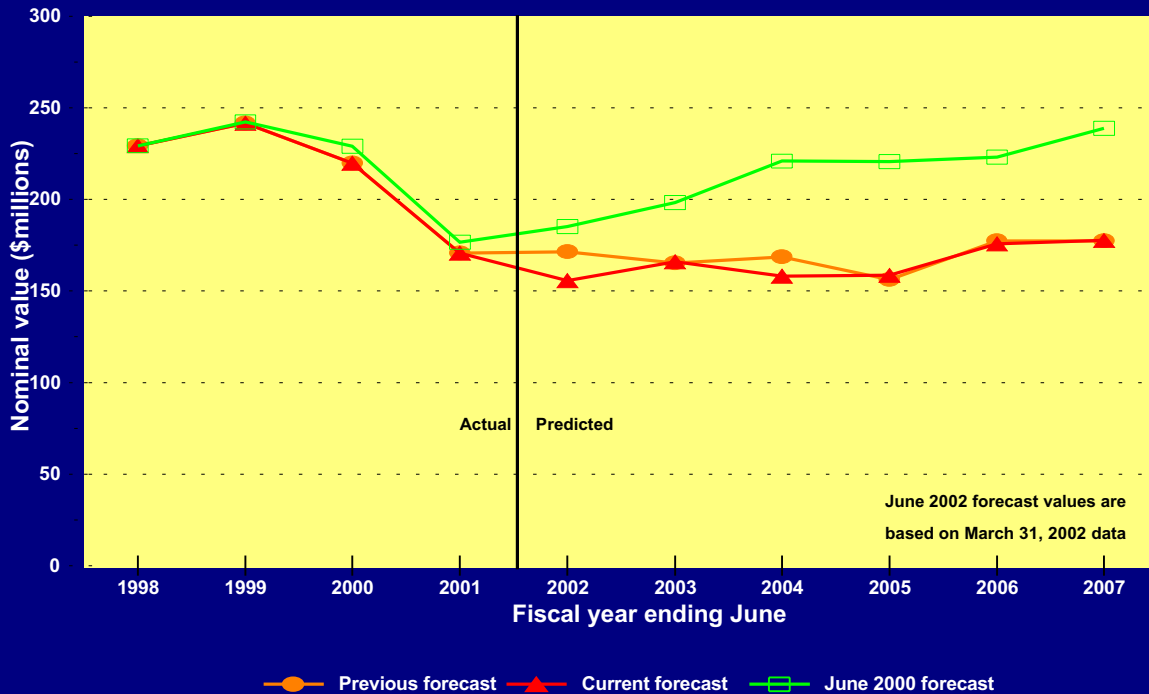
Note: Unforeseen events and changes in future conditions may alter forecast estimates and results

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- **Timber Removal Revenues:** Compared with the February 2002 forecast, estimates of timber removal revenues are reduced by \$15.7 million in FY 02, increased by \$0.8 million in FY 03, and reduced by \$10.6 million in FY 04. Estimated removal revenues are then forecast to increase by \$2.4 million in FY 05, before declining by \$ 1.7 million in FY 06. Little change in forecast removal revenues is anticipated in FY 07, compared with the February 2002 forecast (Figure 5, Tables 1 & 2).
  - For FY 02, reduced estimates of timber removal volumes and timber removal prices combine to reduce estimated timber removal revenue by \$15.7 million. These reductions are principally due to changes in purchaser removal intentions.
  - For FY 03, increases in estimated timber removal prices offset estimated reductions in timber removals, resulting in no change to estimated timber removal revenue.
  - For FY 04, decreases in estimated timber removal prices reinforce estimated reductions in timber removals, reducing estimated timber removal revenues.
  - Reasons underlying changes in estimated timber removal volumes and prices are outlined in preceding sections.
- **Non-timber Upland Revenues:** Compared with the February 2002 forecast, estimates of non-timber upland revenues are from \$0.1 million to \$0.4 million (0.4% to 2.1%) higher than levels previously estimated (Figure 6, Table 2).
  - Estimated total revenues from non-timber upland sources increase through the entire FY 02-07 forecast period.
  - Revenue from special use leases is forecast to increase by nearly \$250,000 in FY 02.
  - Revenue from special forest products is forecast to increase by an average of over \$140,000 per year through the forecast period.

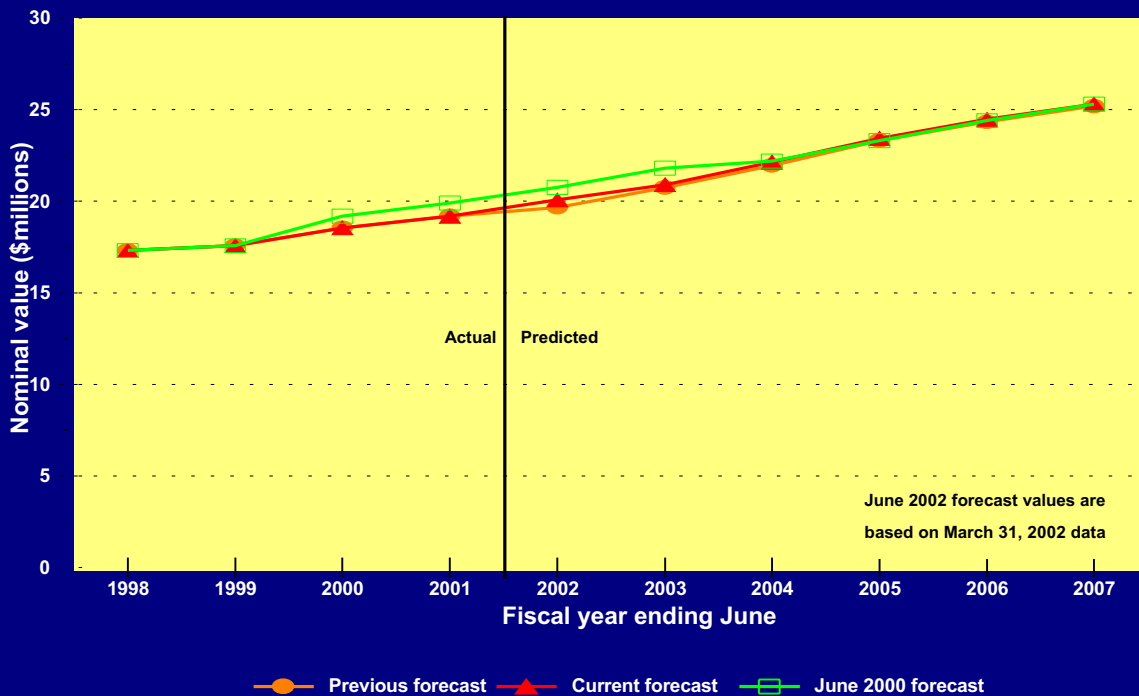
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**Figure 5: Timber removal revenues - Comparison of previous forecasts with current forecast, 1998-2007**



Note: Unforeseen events and changes in future conditions may alter forecast estimates and results

**Figure 6: Non-timber upland revenues - Comparison of previous forecasts with current forecast, 1998-2007**

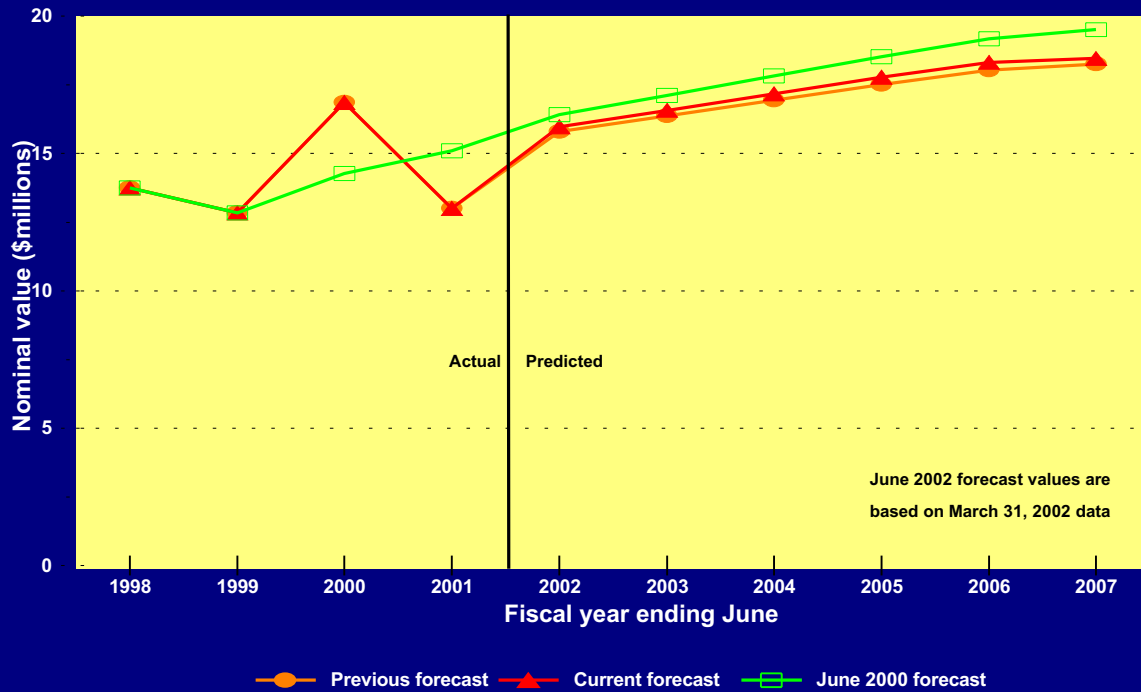


Note: Unforeseen events and changes in future conditions may alter forecast estimates and results;  
Includes revenues from agricultural, commercial real estate, mineral, and other leasing activities

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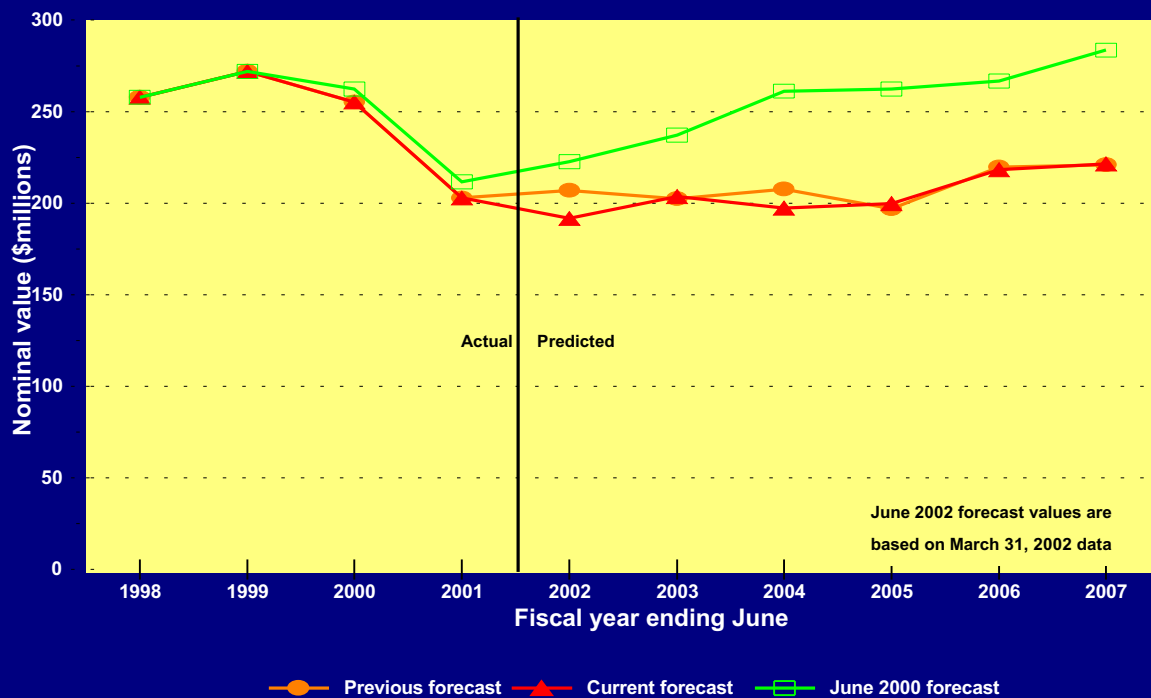
- **Aquatic Revenues:** Compared with the February 2002 forecast, aquatic revenues are \$0.2 million to \$0.3 million (1.1% to 1.6%) higher than levels previously estimated (Figure 7, Table 2).
  - Forecast aquatic revenues assume future revenues will follow trends exhibited by past revenue receipts, and do not explicitly take into account factors with potentially major revenue impacts (e.g., revisions to geoduck harvest levels, and biological factors such as green crab infestation and paralytic shellfish poisoning).
- **Total Revenues:** Compared with the February 2002 forecast, total revenues are forecast to be about \$15 million lower in FY 02, \$1 million higher in FY 03, and \$10 million lower in FY 04. Total revenues are then forecast to increase by nearly \$3 million in FY 05, before decreasing by over \$1 million in FY 06 (Figure 8, Table 2). These changes in total revenues directly reflect changes in forecast timber removal revenues (for reasons noted on preceding pages).
  - Excluding Trust Land Transfers, total revenues decline from \$203 million in FY 01 to about \$192 million in FY 02, before rising to about \$203 million in FY 03. Total revenues are then forecast to decrease in FY 04 to \$197 million, before increasing through FY 05 and FY 06 to reach over \$221 million in FY 07.
  - Beneficiary and management revenues follow the same trend as total revenues (Figures 9 & 10, Tables A2 and A3).
  - Revenues to trust beneficiaries from the resource transfer component of Trust Land Transfers are reported but not estimated in the forecast, and amounted to \$56.1 million in FY 00 and FY 01. They are estimated to reach about \$40.0 million over FY 02 and FY 03, i.e., \$8.6 million in FY 02 and \$31.4 million in FY 03 (Footnote 1, Table A2).
- **Some Uncertainty Caveats:**
  - Impacts associated with recalculation of the sustainable timber harvest for DNR-managed trust lands are not included in this forecast; target sold timber sale volumes likely will change as a result of this recalculation, from FY 04 onward.
  - Operational changes being undertaken in the department's programs will be factored into the forecast as they bear fruit. These changes presently focus on changes in aquatic leasing, the timber sales process, and the prospective quality of the timber sales mix.
  - Changes in timber supply outside the Pacific Northwest region affecting both the Pacific Northwest region and the North American softwood log and lumber markets, e.g, foreign suppliers, softwood log imports from Canada, US-Canada timber trade regulation.
  - Changing consumer preferences for timber in Japan, i.e., switch toward kiln-dried lumber in response to house construction performance standards and guarantees.
  - Robustness of the current upturn in domestic US economic conditions.

**Figure 7: Aquatic revenues - Comparison of previous forecasts with current forecast, 1998-2007**



Note: Unforeseen events and changes in future conditions may alter forecast estimates and results

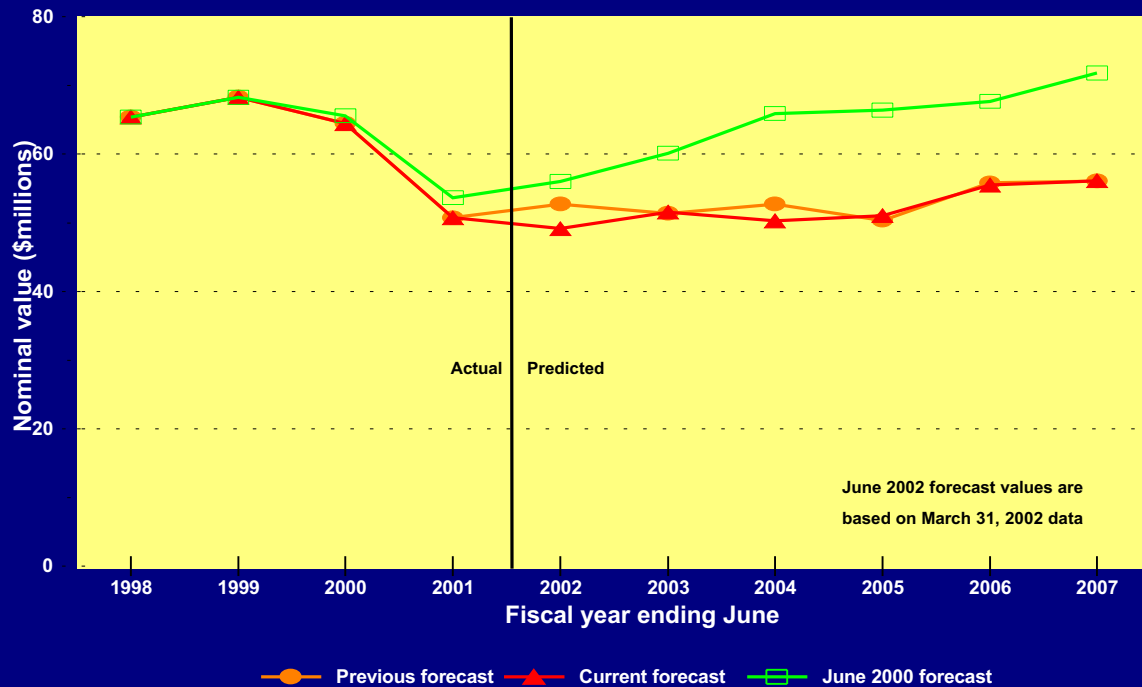
**Figure 8: Total revenues - Comparison of previous forecasts with current forecast, 1998-2007**



Notes: Excludes revenues from Trust Land transfer activities;

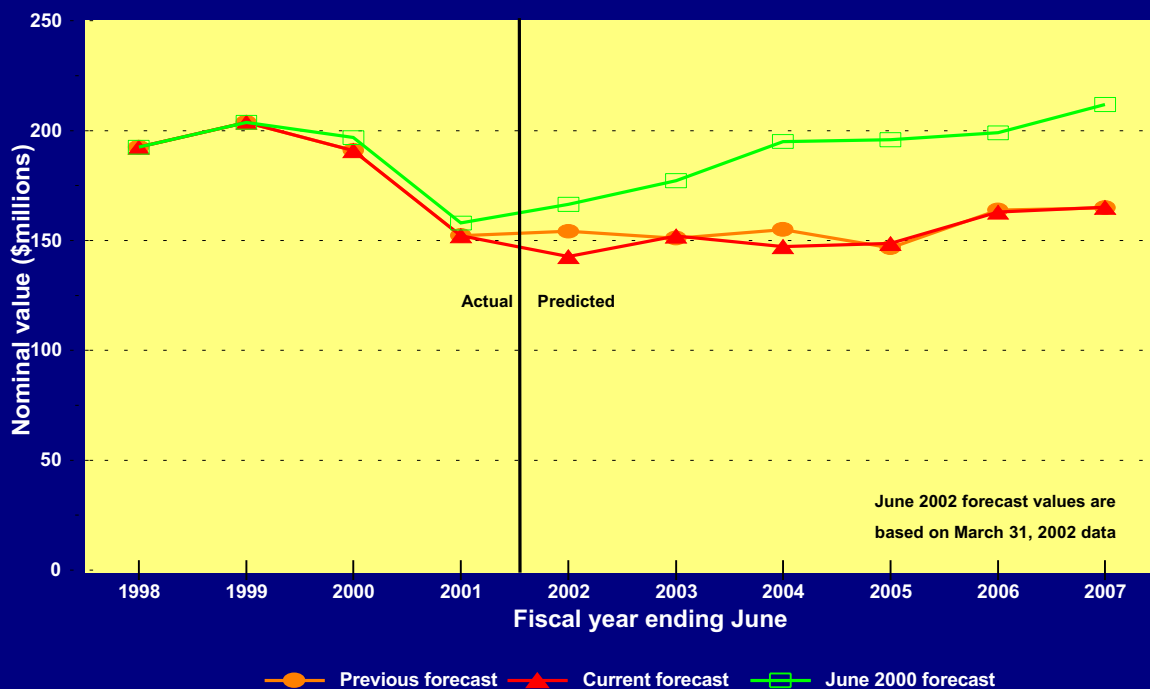
Unforeseen events and changes in future conditions may alter forecast estimates and results

**Figure 9: Total management account revenues - Comparison of previous forecasts with current forecast, 1998-2007**



Note: Unforeseen events and changes in future conditions may alter forecast estimates and results

**Figure 10: Total trust beneficiary revenues - Comparison of previous forecasts with current forecast, 1998-2007**



Notes: Excludes revenues from Trust Land transfer activities;

Unforeseen events and changes in future conditions may alter forecast estimates and results



**Table 1: Projected trust land timber sales, removals and revenues**

Fiscal year	2000	Actual 2001	Actual FY 2002 to 3/31/2002	Projected 2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
<b>Sold timber sales</b>									
Volume (mmbf)	503	460	294	502	542	558	557	557	557
Price (\$/mbf)	\$341	\$305	\$273	\$270	\$305	\$330	\$320	\$315	\$300
<b>Timber removals</b>									
Volume (mmbf)	624	500	364	502	532	505	526	560	556
Price (\$/mbf)	\$353	\$341	\$310	\$310	\$312	\$313	\$301	\$314	\$319
<b>Timber removal revenue (\$millions)</b>	\$219.9	\$170.6	\$112.8	\$155.7	\$166.1	\$158.1	\$158.5	\$175.7	\$177.5

**Change from previous forecast**

Fiscal year	2000	2001	Change since last quarter	Projected 2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
<b>Sold timber sales</b>									
Volume (mmbf)	0	0	149	22	0	0	0	0	0
Price (\$/mbf)	\$0	(\$0)	(\$0)	(\$20)	\$0	\$0	\$0	\$0	\$0
<b>Timber removals</b>									
Volume (mmbf)	0	0	75	(39)	(8)	(26)	23	1	(0)
Price (\$/mbf)	\$0	\$0	(\$5)	(\$6)	\$6	(\$5)	(\$9)	(\$3)	\$0
<b>Timber removal revenue (\$millions)</b>	\$0.0	\$0.0	\$21.7	(\$15.7)	\$0.8	(\$10.6)	\$2.4	(\$1.7)	\$0.1

Table 2: Projected trust land revenue by source (\$millions)

Fiscal year	2000	Actual 2001	Actual FY 2002 to 3/31/2002	Projected 2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Timber removal revenue	\$219.9	\$170.6	\$112.8	\$155.7	\$166.1	\$158.1	\$158.5	\$175.7	\$177.5
Agricultural and mineral revenue	\$12.4	\$13.5	\$10.8	\$13.1	\$13.7	\$14.7	\$15.8	\$16.6	\$17.2
Commercial real estate revenue	\$6.1	\$5.7	\$5.6	\$7.0	\$7.2	\$7.4	\$7.6	\$7.9	\$8.1
Aquatic revenue	\$16.9	\$13.0	\$11.4	\$16.0	\$16.6	\$17.2	\$17.8	\$18.3	\$18.5
Trust land transfer (resource value)	\$24.7	\$31.9	\$8.2	\$8.6	\$31.4	\$0.0	\$0.0	\$0.0	\$0.0
Total revenue, excluding trust land transfer	\$255.3	\$202.8	\$140.5	\$191.7	\$203.5	\$197.4	\$199.8	\$218.5	\$221.3

Change from previous forecast

Fiscal year	2000	Actual 2001	Change since last quarter	Projected 2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
Timber removal revenue	\$0.0	\$0.0	\$21.7	(\$15.7)	\$0.8	(\$10.6)	\$2.4	(\$1.7)	\$0.1
Agricultural and mineral revenue	\$0.0	\$0.0	\$3.7	\$0.4	\$0.2	\$0.2	\$0.1	\$0.1	\$0.1
Commercial real estate revenue	\$0.0	\$0.0	\$1.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Aquatic revenue	\$0.0	\$0.0	\$3.4	\$0.2	\$0.2	\$0.2	\$0.3	\$0.3	\$0.2
Trust land transfer (resource value)	\$0.0	\$0.0	\$8.2	(\$2.6)	\$2.6	\$0.0	\$0.0	\$0.0	\$0.0
Total revenue, excluding trust land transfer	\$0.0	\$0.0	\$30.7	(\$15.1)	\$1.1	(\$10.2)	\$2.8	(\$1.3)	\$0.4

Table A.2: Projected trust revenues by fund and fiscal year, June 2002 forecast, 2000-2007 (\$millions)

Fiscal year	2000	2001	Actual FY 2002 to 03/31/02	Projected 2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
<b>MANAGEMENT ACCOUNTS</b>									
041 RMCA - UPLAND	\$30.9	\$24.8	\$17.5	\$22.9	\$23.8	\$23.4	\$24.4	\$27.6	\$28.9
041 RMCA - AQUATIC	\$7.2	\$5.4	\$4.5	\$6.6	\$6.9	\$7.1	\$7.4	\$7.6	\$7.7
014 FDA	\$26.4	\$20.5	\$13.9	\$19.6	\$20.9	\$19.7	\$19.2	\$20.2	\$19.6
	\$64.4	\$50.7	\$35.9	\$49.1	\$51.6	\$50.3	\$51.0	\$55.5	\$56.1
<b>CURRENT FUNDS</b>									
113 COMMON SCHOOL CONSTRUCTION	\$66.0	\$52.3	\$35.5	\$46.9	\$48.7	\$50.9	\$52.4	\$60.5	\$64.1
999 FOREST BOARD COUNTIES	\$81.0	\$64.0	\$40.7	\$58.7	\$64.2	\$59.4	\$58.2	\$62.6	\$60.4
001 GENERAL FUND	\$5.2	\$3.8	\$3.4	\$3.9	\$3.4	\$3.9	\$3.4	\$2.9	\$3.0
348 UNIVERSITY BOND RETIREMENT	\$0.3	\$1.1	\$0.4	\$0.9	\$1.2	\$1.1	\$1.4	\$1.4	\$1.5
347 WSU BOND REPAYMENT	\$0.5	\$0.6	\$0.8	\$0.7	\$0.7	\$0.8	\$0.8	\$0.9	\$0.9
042 CEP&RI	\$5.1	\$3.6	\$2.3	\$3.8	\$6.2	\$5.0	\$5.0	\$4.4	\$4.3
036 CAPITOL BUILDING CONSTRUCTION	\$8.2	\$6.5	\$5.3	\$6.9	\$7.3	\$5.6	\$5.8	\$6.6	\$6.6
061/3/5/6 NORMAL (CWU, EWU, WWU, TESC) SCHOOL	\$0.1	\$0.1	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
OTHER FUNDS	\$0.0	\$0.1	\$0.2	\$0.2	\$0.2	\$0.1	\$0.1	\$0.2	\$0.4
	\$166.4	\$132.2	\$88.7	\$122.0	\$131.9	\$126.8	\$127.0	\$139.5	\$141.3
<b>AQUATIC LANDS ENHANCEMENT ACCOUNT</b>									
02R AQUATIC LANDS	\$9.7	\$7.6	\$6.9	\$9.3	\$9.7	\$10.0	\$10.4	\$10.7	\$10.8
<b>PERMANENT FUNDS</b>									
601 AGRICULTURAL COLLEGE	\$2.6	\$1.8	\$0.9	\$1.4	\$3.0	\$3.3	\$3.1	\$3.5	\$3.8
604 NORMAL SCHOOL PERMANENT	\$5.5	\$4.3	\$3.5	\$4.2	\$2.0	\$2.8	\$2.8	\$3.2	\$3.2
605 COMMON SCHOOL PERMANENT	\$1.0	\$0.8	\$0.1	\$0.6	\$0.7	\$0.9	\$1.1	\$1.2	\$1.3
606 SCIENTIFIC PERMANENT	\$4.7	\$4.7	\$4.0	\$4.3	\$4.1	\$3.2	\$4.0	\$4.5	\$4.2
607 UNIVERSITY PERMANENT	\$1.0	\$0.6	\$0.6	\$0.7	\$0.5	\$0.2	\$0.3	\$0.4	\$0.6
	\$14.7	\$12.3	\$9.1	\$11.2	\$10.4	\$10.3	\$11.3	\$12.8	\$13.1
<b>TOTAL TO TRUST BENEFICIARY FUNDS</b>	\$190.8	\$152.1	\$104.6	\$142.6	\$152.0	\$147.1	\$148.7	\$163.0	\$165.2
<b>TOTAL ALL FUNDS</b>	\$255.3	\$202.8	\$140.5	\$191.7	\$203.5	\$197.4	\$199.8	\$218.5	\$221.3

Notes:

- 1 - Excludes interest and trust land transfer monies, and includes operating transfers. Trust Land Transfer monies amounted to \$37.3 million in FY 1994-95, \$21.8 million in FY 1998-99, \$56.06 million in FY 2000-01 (preliminary), and \$40.0 million (estimate) in FY 2002-03, payable to the Common School Construction Fund.
- 2 - Upland RMCA does not include land bank transactions.
- 3 - Revenues reflect cash earnings from management activities only. Revenues from interest payments, fires assessments, permits, fees, etc. are not included.
- 4 - Totals may not add due to rounding.
- 5 - Projected values are forecast estimates, and should be interpreted in conjunction with the accompanying forecast document. Unforeseen events and changes in future conditions may alter forecast estimates and results.
- 6 - Data for all years are cash estimates, and not directly comparable with accrual figures presented in DNR Annual Reports.

Table A3: Change from February 2002 to June 2002 forecast-Projected trust revenues by fund and fiscal year, 2000-2007 (\$millions)

Fiscal year	2000	2001	Projected 2002	Projected 2003	Projected 2004	Projected 2005	Projected 2006	Projected 2007
<b>MANAGEMENT ACCOUNTS</b>								
041 RMCA - UPLAND	\$0.0	\$0.0	(\$1.2)	(\$0.9)	(\$1.8)	(\$0.7)	(\$0.9)	(\$0.5)
041 RMCA - AQUATIC	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.0
014 FDA	\$0.0	\$0.0	(\$2.3)	\$1.0	(\$0.7)	\$1.3	\$0.5	\$0.5
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	\$0.0	\$0.0	(\$3.6)	\$0.2	(\$2.4)	\$0.7	(\$0.3)	\$0.1
<b>CURRENT FUNDS</b>								
113 COMMON SCHOOL CONSTRUCTION	\$0.0	\$0.0	(\$2.7)	(\$1.3)	(\$5.1)	(\$1.9)	(\$1.9)	(\$1.2)
999 FOREST BOARD COUNTIES	\$0.0	\$0.0	(\$7.9)	\$4.2	(\$1.8)	\$3.3	\$1.8	\$2.0
001 GENERAL FUND	\$0.0	\$0.0	(\$0.1)	(\$0.2)	(\$0.4)	\$0.6	(\$0.1)	(\$0.0)
348 UNIVERSITY BOND RETIREMENT	\$0.0	\$0.0	(\$0.3)	(\$0.1)	(\$0.2)	(\$0.2)	(\$0.1)	(\$0.1)
347 WSU BOND REPAYMENT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
042 CEP&RI	\$0.0	\$0.0	(\$1.0)	\$0.6	\$1.6	\$0.5	(\$0.2)	(\$0.1)
036 CAPITOL BUILDING CONSTRUCTION	\$0.0	\$0.0	(\$0.2)	(\$1.0)	(\$0.7)	(\$0.1)	(\$0.0)	\$0.0
061/3/5/6 NORMAL (CWU, EWU, WWU, TESC) SCHOOL	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
OTHER FUNDS	\$0.0	\$0.0	(\$0.0)	\$0.1	(\$0.1)	(\$0.0)	(\$0.1)	(\$0.0)
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	\$0.0	\$0.0	(\$12.1)	\$2.4	(\$6.7)	\$2.2	(\$0.6)	\$0.6
<b>AQUATIC LANDS ENHANCEMENT ACCOUNT</b>								
02R AQUATIC LANDS	\$0.0	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2	\$0.2
<b>PERMANENT FUNDS</b>								
601 AGRICULTURAL COLLEGE	\$0.0	\$0.0	\$0.0	(\$0.8)	(\$0.3)	\$0.0	(\$0.3)	(\$0.2)
604 NORMAL SCHOOL PERMANENT	\$0.0	\$0.0	\$0.3	(\$0.2)	(\$0.5)	(\$0.1)	(\$0.2)	(\$0.1)
605 COMMON SCHOOL PERMANENT	\$0.0	\$0.0	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)
606 SCIENTIFIC PERMANENT	\$0.0	\$0.0	\$0.1	(\$0.7)	(\$0.5)	(\$0.2)	(\$0.0)	(\$0.1)
607 UNIVERSITY PERMANENT	\$0.0	\$0.0	(\$0.1)	\$0.0	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)
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	\$0.0	\$0.0	\$0.4	(\$1.6)	(\$1.3)	(\$0.3)	(\$0.6)	(\$0.4)
<b>TOTAL TO TRUST BENEFICIARY FUNDS</b>								
	\$0.0	\$0.0	(\$11.5)	\$0.9	(\$7.8)	\$2.1	(\$0.9)	\$0.4
<b>TOTAL ALL FUNDS</b>								
	\$0.0	\$0.0	(\$15.1)	\$1.1	(\$10.2)	\$2.8	(\$1.3)	\$0.4

**Notes:**

- 1 - Excludes interest and trust land transfer monies, and includes operating transfers. Trust Land Transfer monies amounted to \$37.3 million in FY 1994-95, \$21.8 million in FY 1998-99, \$56.06 million in FY 2000-01 (preliminary), and \$40.0 million (estimate) in FY 2002-03, payable to the Common School Construction Fund.
- 2 - Upland RMCA does not include land bank transactions.
- 3 - Revenues reflect cash earnings from management activities only. Revenues from interest payments, fires assessments, permits, fees, etc. are not included.
- 4 - Totals may not add due to rounding.
- 5 - Projected values are forecast estimates, and should be interpreted in conjunction with the accompanying forecast document. Unforeseen events and changes in future conditions may alter forecast estimates and results.
- 6 - Data for all years are cash estimates, and not directly comparable with accrual figures presented in DNR Annual Reports.